

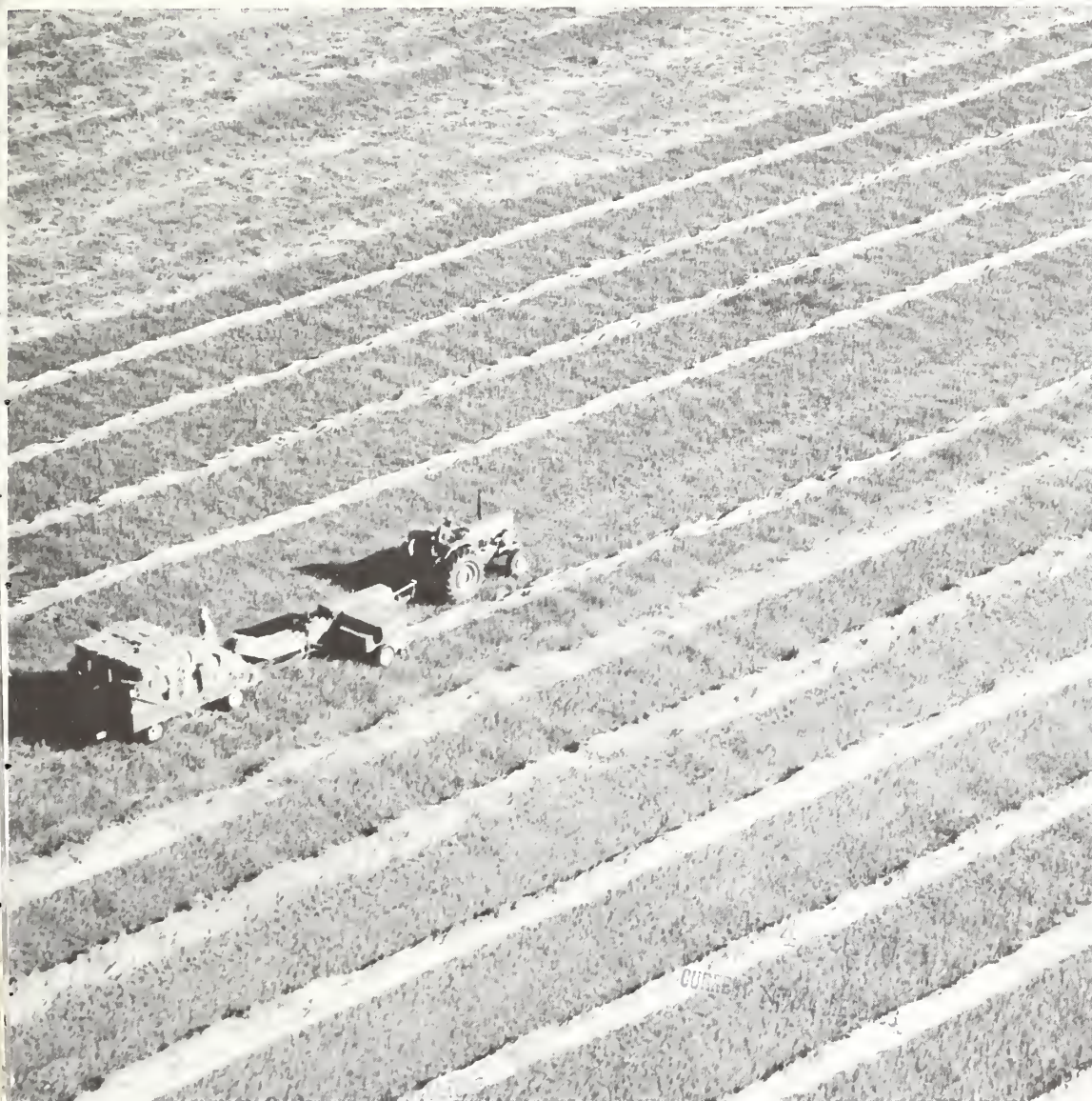
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FOREIGN AGRICULTURE

April 27, 1970



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This week's cover:

A tractor rolls across a Saskatchewan wheat field. For news of developments important to the Canadian grain industry and other aspects of Canadian agriculture, see the group of articles beginning page 10.

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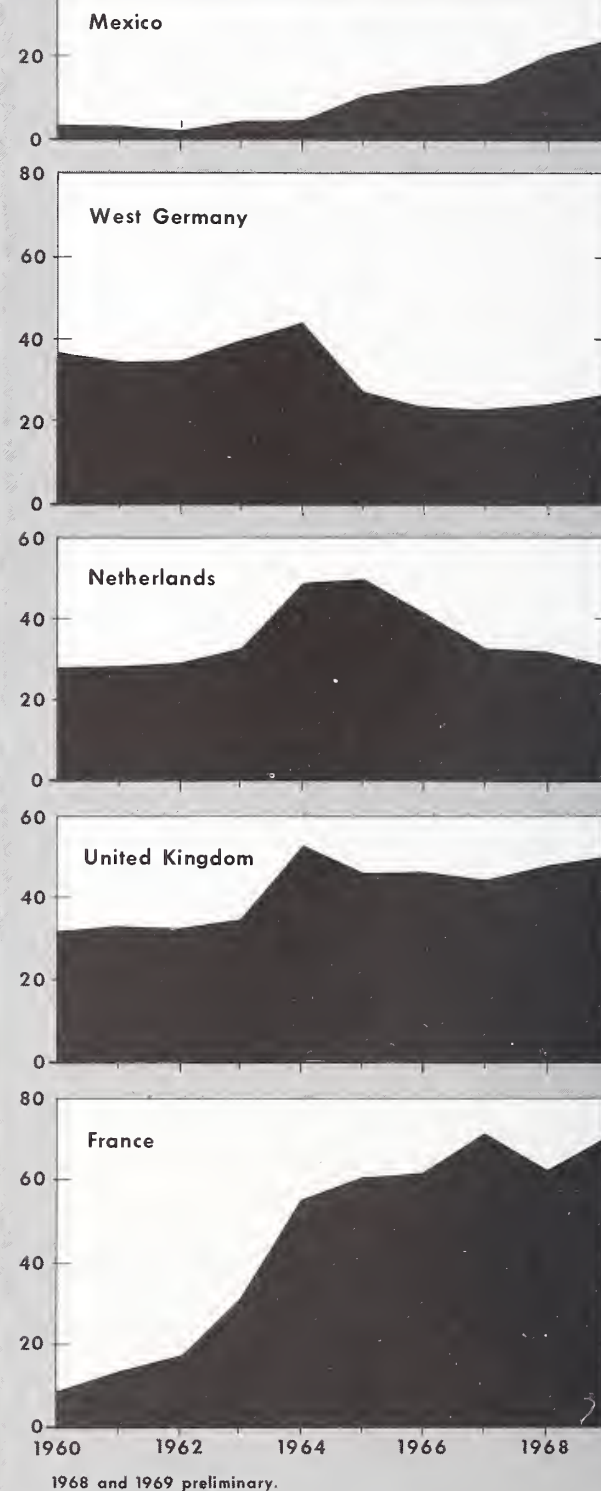
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U.S. VARIETY MEAT EXPORTS TO MAJOR MARKETS IN 1960'S

MILLION POUNDS



U.S. Variety Meats in World Trade

By IVAN JOHNSON

Livestock and Meat Products Division, FAS

The export story of U.S. variety meats in the 1960's is one of stages: increasing demand the first 3 years, rapid expansion accompanied by growing pains in 1963-64, a decline in 1965-66, and recovery at the close of the decade. The image of U.S. variety meats also changed during the '60's. For a time the U.S. products were regarded as ugly ducklings when compared with their competition from other countries. However, they emerged from the decade with a top-quality image after undergoing a determined preening effort administered by the U.S. meat industry.

While Europeans have long afforded variety meats a conspicuous spot on their menus, Americans have been slower to incorporate them into family meal planning. Our annual per capita consumption has remained rather static at 10 to 11 pounds for the last 10 years. This is one reason why the United States, which is the largest producer in the world, is also the world's largest exporter of these animal byproducts. Classified as edible offals in statistical tabulations, the major items in this commodity group are livers, tongues, kidneys, and heart. Of lesser importance in foreign trade but also within this category are brains, sweetbreads, tripe, tails, spleens, and cheek, gullet, and head meat.

How important are they to our livestock economy? Extremely important, considering that we produced around 2.4 billion pounds in 1969, equivalent to approximately 7 percent of total red meat production. Exports were 240 million pounds valued at \$62 million, 11.3 percent of the \$547.7 million worth of all livestock and meat product exports.

Valuable "fifth quarter"

U.S. packers are well aware of the value of the "fifth quarter," as it is often referred to by the trade. Packers traditionally have looked to the income from sales of the hides and

offals or "drop" to cover their operating expenses and provide profit margins.

It is not surprising, therefore, that U.S. producers of variety meats turned with interest to the growing demand in Western Europe and the United Kingdom following World War II. During this era, total world consumption of variety meats underwent expansion largely because they were more readily available and cheaper in price than other meats in a war-weary world tired of, yet confronted with, further food rationing. High in protein, low in fat content, and rich in minerals and vitamins, variety meats found favor among increasing numbers of people. Consequently, the United States in the early 1950's experienced an overseas demand for its variety meats. In the late 1950's other countries began to increase their production and entered into competition with the United States for the world market.

Competitors and markets

In addition to the United States, the major producers and exporters which figure in international trade in variety meats are Australia, New Zealand, Argentina, Denmark, and Ireland. Australia, New Zealand, Argentina, and the United States supply beef variety meats to the large U.K. market, while most of that market's pork variety meats come from Denmark. Europeans frequently consume more pork than beef variety meats with the United States and Denmark the largest suppliers. A large share of U.S. exports is canned; much is processed into sausages and pâtés; lesser quantities are sold over retail counters in their natural state.

France, the United Kingdom, the Netherlands, and West Germany have been our best markets for variety meats throughout the 1960's, but it is interesting to note that Mexico has moved into fifth place. It imported 3.5 million pounds in 1960 and 24 million in 1969, recording the largest percentage increase of any country buying from us.

Nearly all importing countries impose some sort of restriction for the purposes of protecting their own producers, con-



Members of London's meat trade look over the line of U.S. variety meats on display at the Smithfield Meat Market in September 1965. The display and a 3-day seminar at the U.S. Trade Center in London led to improvements in packaging and a general shaping up of the U.S. products which have revitalized exports.

serving foreign exchange, controlling disease, and maintaining animal health. U.S. pork variety meats are currently barred by such countries as the United Kingdom because of the presence of hog cholera in our country. Elimination of this animal disease within the next few years will generate foreign buyer interest. Italy bans the import of meat derived from animals fed growth-stimulating hormones; hence, U.S. variety meats are not permitted entry. Generally speaking, however, as a result of negotiations under the GATT agreements, variety meats move rather freely in international trade with relatively moderate duties attached.

Surging exports and repercussions

In 1960, our exports of variety meats were approximately 125 million pounds, and shipments remained fairly constant until 1964 when there was a sharp upturn to 231 million pounds. This rapid expansion occurred as U.S. prices of choice fed steers dropped from an average of \$27.67 per hundred weight in 1962 to just under \$24 in 1963 and to less than \$21 in the spring of 1964.

Unfortunately, the heightened demand for variety meats during the early years of the decade just concluded brought about a situation where some U.S. production not representative of the normal excellent quality sold in the United States found its way into world markets. Accusations were made that the United States was "dumping" inferior products which could not be merchandised domestically. On the other hand, some importers sought to purchase at the lowest price possible without reference to quality. However, protests were frequently lodged if subsequent shipments were lower in quality than was expected. Justifiably or not, U.S. variety meats acquired a stigma which resulted in their sale at discount prices in foreign markets in comparison with those from competitors. The decline in 1965 and 1966 of U.S. variety meat exports, when world demand was exceedingly high, may have been partially caused by a general impression in foreign trade circles that American variety meats were lower in quality than those from other countries.

Inasmuch as the United Kingdom is our second most important market and U.K. importers were growing increasingly critical of the quality of our merchandise, the American Meat Institute and FAS planned and organized an exhibition of variety meats in the London Smithfield Meat Market in September 1965. U.S. firms operating in that market set aside a portion of their stalls for a display of U.S. products. A 3-day seminar was conducted at the U.S. Trade Center in London to which British importers, manufacturers, chain store representatives, and butchers were invited. U.S. and U.K. industry representatives and government staff took part in the discussion and exchange of views. The objective was to enable U.K. spokesmen for the various end-users to describe defects in the U.S. variety meat trade and suggest how improvements could be implemented which would revitalize imports of the U.S. product. U.S. participants discussed supply situations and U.S. operational procedures in slaughtering, inspection, and marketing. Some of these were not compatible with U.K. market preferences, and innovations were needed if U.K. requirements were to be met. The sharpest criticisms leveled by the British were the lack of product uniformity, inconsistency of packaging, and the erratic price and supply picture. It was apparent that for our variety meats to meet the competition from countries enjoying a price preference in the United

Kingdom, U.S. suppliers would have to upgrade and standardize their product and correct wrapping and packing deficiencies.

To convey the concern over the decline in imports of U.S. variety meats to U.S. exporters and packers, FAS—in co-operation with the American Meat Institute—sponsored a variety meats conference in Chicago in February 1966 as a followup to the U.S. variety meats exhibit and seminar which had been held in London. Frank Gerrard, a member of the British Institute of Meat and former head of the Smithfield College of Meat, presented the case for the overseas importers and illustrated areas where improvements could readily be made by American packers and exporters. Since this was a seminar for industry, representatives of U.S. meatpackers and of the associations serving the meat packing and processing industry were present and made valuable contributions to the discussion. Many factors were covered including preferable methods of packaging; size and weight of pack; number of pieces and preferred placement in the pack; the advantages and disadvantages of various kinds of material used in packaging; and a recommendation that cloth and/or plastic tape rather than metal straps be used as binders so that cartons would be staple free to avoid the risk of metal objects in finished products. The importance of quick removal from the carcass and of proper chilling and packaging so as to avoid discoloration or off-condition was stressed. Participants agreed that product image could be improved by careful handling and avoidance of procedures detracting from the appearance and use of the product.

Recovering the quality name

It is a tribute to the U.S. meatpacking industry that it has acted to correct the deficiencies which were brought into the limelight by the exchange of views during the exhibitions and seminars held in 1965 and 1966. The numerous complaints by importers over quality have declined substantially, reflecting the improvements which U.S. suppliers have made in their export pack. Importers who have been willing to pay higher prices for improved quality and uniformity have discovered that the United States is capable of providing what they want. Although earlier disputes frequently developed from a lack of communication, the exhibits, seminars, and contacts within the trade itself have contributed toward considerable improvement in understanding. Exports of U.S. variety meats grew in value from \$25 million in 1960 to almost \$62 million in 1969. Average export prices of all variety meats rose by 25 percent in 1965 over 1964 and have remained relatively stable since that time. The sharp increase in export value which occurred in the mid-sixties and which has since been retained is due partially to increased exports but primarily to higher average prices.

With domestic consumption of 11 pounds per capita, the United States is utilizing around 90 percent of total annual production. Variety meats have increased in popularity in the United States in recent years. Therefore, the prospect of any substantial increase in supplies for export is unlikely. Since 1964 the volume of exports has ranged narrowly from 231 million pounds in 1964 to 240 million in 1969. However, with the outlook bright for a continued stable level of exports, U.S. variety meat suppliers can be expected to continue their policy of providing overseas markets with the same high-quality produce which is available to domestic users.

A Year of Bad Weather and Policy Change

In 1969 Tunisian agricultural production declined. This was a result of extremes in the weather which ranged from drought early in the year to the heaviest rains in centuries during the last half of the year. Total grain production dropped 13 percent; production of pulses dropped 10 percent; and the production of olive oil and citrus was down about 55 percent and 7 percent respectively from 1968.

Partly balancing these decreases in the minds of the people was the official movement away from the cooperative system of farming toward the private—a result of the continued widespread dissatisfaction with cooperativization by Tunisian agricultural producers and trade groups. A number of uncertainties exist regarding the policy to be taken in restoring the private agricultural sector. Nevertheless, the general feeling seems to be that any inconvenience resulting from the move away from the cooperative system will be more than offset by the benefits of the private system.

The slight to considerable reductions in the 1969 harvest of principal Tunisian grains and pulses reflected the continuous drought conditions during the first part of the year. Total wheat production for 1969-70 is estimated at 350,000 metric tons—80,000 tons of soft wheat, 270,000 tons of durum—harvested from about 1.58 million acres. This compares with the 1968-69 harvest of 383,000 tons—63,000 tons soft and 310,000 tons durum—from about 1.6 million acres. Barley production at 70,000 tons was nearly one-third below the 1968 harvest of 100,000 tons. The 1969-70 crop was harvested from about 852,495 acres, only slightly less than the 864,850 acres harvested a year earlier. The pulse harvest was moderately lower than in 1968 (26,600 tons, compared with 29,600 tons); acreage, however, was near the 1968 level of about 185,325 acres.

Government support prices to producers for the 1969 crop were equivalent to \$83 a ton for soft wheat and about \$92 a ton for durum. Barley prices were set at about \$54 a ton.

In 1969-70 import requirements are forecast at 430,000 metric tons of wheat and 80,000 tons of barley.

The olive crop which was harvested suffered from both weather extremes. And the excessive rains not only damaged the ripening olives but also led to floods which in some cases destroyed the olive trees. The 1969 crop is estimated at only 125,000 metric tons with an expected oil yield of 25,000 tons, down sharply from the 275,000 tons of olives and 55,000 tons of oil in 1968. Another reason why the crop was so small is that 1969 was an off year for olive production. Trade sources believe that with the current soil moisture, the 1970 olive crop could exceed 500,000 tons with an oil yield of up to 120,000 tons. The surface under olive production is estimated at somewhat over 2.4 million acres, with an estimated 35 million producing olive trees.

Exports are not expected to be more than 15,000 metric tons during the 1969-70 season, compared with 32,000 tons in 1968-69. Most exports are to France, Italy, and Libya.

The total 1969-70 citrus crop is forecast at 72,000 metric tons, down about 5,000 tons from 1968-69. Fairly large fluctuations have occurred in harvests of past years. Recently, however, the pressure for cooperativization has led to uncertainty and loss of management incentive by producers, and this

has resulted in reductions in both quality and quantity of the Tunisian fruit.

With the move away from cooperativization, the marketing of citrus which in 1969 was the responsibility of the fruit and vegetable marketing cooperative (UCCFM) solely, will be divided into three sectors: the UCCFM, private, and the Société Tunisienne Industrie Laiterie (STIL)—a government organization which started as a dairy products organization and has now branched out. At the present time, it is difficult to determine the portion of fruit that will be marketed through each of the three sectors. Management of the UCCFM believes that even with the freedom of choice that producers now have, eventually the bulk of citrus will be marketed through UCCFM because of its past experience and organizational ability. In 1969 UCCFM carried on limited point-of-sale promotion in importing countries for citrus, particularly oranges; it hopes to continue and expand these promotional activities as soon as its role is clarified.

In 1968-69 citrus exports were estimated at about 30,000 tons. They are forecast at about the same level for the current marketing year. Approximately 80 percent of the 1968-69 exports consisted of oranges. Practically all that remains from production and exports is consumed locally as fresh fruit; very little is processed. There are very limited facilities for citrus processing in Tunisia.

During the floods, 15,000 to 20,000 head of livestock appear to have been lost—mostly sheep and goats. The overall loss has been somewhat offset by greatly improved grazing conditions—a result of sufficient soil moisture. The Current Four-Year Plan envisions 100,000 head of cattle on planned feeding by the end of 1972. The Government of Tunisia feed mill capacity will be expanded by the end of 1970 from the present level of 30,000 tons annually to 50,000 tons.

The agricultural cooperative movement at its peak involved a total of about 6 million acres and was scheduled to encompass all agriculture in Tunisia by the end of 1969. Now that this program has been de-emphasized, the records of existing cooperatives are being examined to determine which holdings will be returned to private ownership. The agricultural law of September 20, 1969, set forth certain categories of farms that would revert immediately to the private sector: All fruit and vegetable farms; and all producing from irrigated land. When the reassessment first began cooperatives existing as of January 1, 1969, could continue to function as cooperatives; now the reassessment involves all cooperatives. Probably only those units which are operating at a profit—two-thirds are reportedly operating at a loss—and which have the support of their members will be able to continue.

It is still too early to determine the amount of land that has actually been returned to the private sector, or how much is likely to be returned by the time the government completes its evaluation of the cooperative establishment. Despite the uncertainties as to the functions and responsibilities of the various sectors, support of the new government policy is enthusiastic and should be reflected in overall improvements in agricultural production and marketing.

—Based on dispatch from DUDLEY G. WILLIAMS
U.S. Agricultural Attaché, Rabat

Dutch Agriculture: Exports and Prosperity

By BRICE K. MEEKER

U.S. Agricultural Attaché, The Hague

Evaluation of agricultural performance in the Netherlands in 1969 indicates solid advance because of increased exports despite minor production decreases for some items, domestic inflationary pressures, and changes in the currencies of major customers (revaluation of the German mark and devaluation of the French franc). Growth in exports of livestock and poultry products was particularly important.

Dutch agricultural exports reached the record value of nearly US\$2.7 billion in 1969 and were 15 percent greater than in 1968. Further, the strong competitive position of the Netherlands within the Common Market was illustrated by an even larger percentage of total farm exports going to Community partners in 1969 (65.0 percent).

Both because the Netherlands has an expanding economy and because Dutch export agriculture needs such commodities for efficient conversion-type production and growth, agricultural imports increased sharply—21 percent—from the 1968 level to a value for 1969 of approximately \$1.8 billion. The U.S. share, however, of total farm product sales to the Netherlands declined from 22.7 percent in 1968 to 17.9 percent in 1969; and the total value of U.S. sales slid from \$329.8 million to \$314.8 million. The reduced U.S. share was chiefly owing to smaller imports of U.S. corn for feed while the Dutch bought low-priced European-grown feed wheat.

Commodity performances

The poultry industry is the fastest growing of Dutch farm efforts. Estimates are that broiler numbers during the second half of 1969 were 14 to 15 percent greater than during the comparable period of 1968. Layer numbers for the same intervals were about 20 percent higher in 1969 than in 1968.

In spite of such a production upswing, prices have remained fairly firm due to in-country demand and increased exports.

For calendar year 1969, exports of poultry meat were 7 percent greater than for the same period in 1968 and totaled over 170,000 metric tons (slaughter weight). For the same intervals, egg exports were about 14.5 percent greater in 1969 than in 1968 and totaled well over 1 billion eggs. Germany was the chief market for both items, taking 90 percent of Dutch poultry meat exports and 81 percent of egg shipments.

Figures on the incubation of broiler and layer eggs during the last half of 1969 indicate that expansion of the Dutch poultry industry is still in progress.

Field crop harvests suffered somewhat from unusual weather during the 1969 growing and harvest seasons. Total grain output in 1969 is estimated at 2.5 percent less than in 1968. The chief cause of the decline was wet weather just when spring wheat and oats should have been harvested in the northern part of the country. The potato harvest also was smaller in 1969 than in 1968. In addition much grain had sprout damage from dampness, and a large volume of the wheat crop will be useful only as feed. However, the sugar-beet harvest was bigger than ever and took place under very good weather conditions.

Results of horticultural efforts were mixed in 1969. Specialty crops such as bulbs and cut flowers and hothouse

products such as tomatoes and cucumbers found ready markets. A large (475,000-metric-ton) apple crop, however, in a year in which most of the rest of Western Europe had good apple production, has made Dutch apple prices plummet. On the other hand, a 1969 pear crop only about half as large as 1968 helped pear prices recover from poor 1968 levels.

A large uprooting program being undertaken under a national premium system caused continuing preparation during 1969 for producer cutback in orchard area. Between August 1969 and the end of the year, applications were made to remove about 32,000 acres of old apple and pear orchards—approximately one-third of the total apple and pear acreage in the Netherlands.

Numbers of dairy cows were up 2.9 percent at the end of 1969 in comparison with 1968 and deliveries of milk to factories were up about 3 percent. Milk yield per cow edged down in 1969 because of a relatively poor pasture season.

Moderate shifts occurred in the manufacture of dairy products in 1969: butter output was down 6 percent in comparison with 1968; cheese production rose 6 percent; outturn of nonfat dry milk fell 16 percent, but that of dried whole milk climbed 27 percent; and condensed milk production increased 3 percent. Despite the drops in manufacture of butter and nonfat dry milk, stocks of both commodities were greater at the end of 1969 than in 1968.

Dairy production exports held up well in 1969, especially to other Common Market countries. For example, cheese shipments during calendar year 1969 were 163,500 metric tons compared with 152,800 tons in 1968.

Although total cattle and hog numbers were greater in 1969 than in 1968, total pork, beef, and other red meat production fell about 2 percent. Veal production, however, increased about 5 percent. At the same time, meat exports are estimated to have been around 8 percent greater in 1969 than in 1968. Export of pork and slaughter hogs to France was responsible for much of the gain, although veal export increases were also substantial.

Because of high in-country market prices, imports of beef, beef and pork offals, live slaughter cattle, and young calves for veal production all increased. The U.S. share of the beef and pork offals markets was about 50 percent.

Production, export, and import outlook

From current poultry industry statistics on increased hatchings of both broiler and laying stock, it appears that broiler production in the early part of 1970 could be as much as 15 percent greater than during the last half of 1969 and that egg production for the first half of 1970 could be up to 20 percent larger than the 2.1 billion eggs produced during the first half of 1969.

Export prospects for both eggs and poultry meat are good—especially to Germany, the Netherlands' chief poultry-product customer. Germany's 8.5-percent transitional levy on most agricultural imports, in force since the revaluation of the German mark, was removed at the end of 1969. The Dutch poultry-product export position is strengthened by this change.

Another lift to exports is a recent contract for 12,000 metric tons of Dutch poultry meat for the Soviet Union.

Red meat production in the Netherlands in 1970 is expected to increase about 4 percent from the 1969 level, and

gains in pork output will probably be the strongest. As output increases, high prices in the Netherlands should ease somewhat. Also, export pull on Dutch pork may be less in 1970 than in 1969 because of increased pork production in EC importing countries, such as France and Germany.

Milk deliveries are expected to be greater in 1970 than in 1969. The 1969 trend toward using more of available milk to make cheese will probably continue in 1970, especially as prospects are good for continued large exports of cheese to other Common Market countries.

The United States should make something of a comeback this year in sales of both wheat and corn to the Netherlands. High-quality U.S. wheat should do relatively well because of the decreased availability of wheats of comparable quality from competing exporters. Corn sales should increase both

because of increased numbers of animals to feed in the Netherlands and a swing toward using more corn in animal rations.

The Dutch market for beef and pork offals will again be favorable in 1970, and the United States should benefit with substantial offal exports to the Netherlands. Whether U.S. exports to the Dutch will be greater than in 1969 depends chiefly on price competitiveness with other suppliers. Continued strong demand for soybeans, soybean meal, and other feed components other than grain in the Netherlands should help U.S. sales of these commodities to edge upward from 1969 levels during 1970.

In general, as long as the Dutch agricultural economy continues to expand successfully and its exports grow, demand for agricultural imports, on which the Netherlands is highly dependent, will also continue to rise.

West German Use of EC Stockpiling Measures

Since August 1969, West Germany has been using a new European Community (EC) tool—government financing of private stockpiling of grain—in its efforts to cope with its third straight year of overabundant grain stocks. This measure, called Intervention B and authorized under EC regulation 174/67, has been used in combination with Intervention A—federal purchase and storage of grain—to keep excess grain off the German market for the first months of the marketing year. Intervention B has had the double purpose of relieving the precarious storage situation and protecting the German grain industry from the price-lowering effects of the country's currency revaluation.

The German grain industry was quick to grasp the opportunity of Intervention B and concluded contracts for more than 6 million tons of wheat, rye, and barley. After adding to this 6 million tons the approximately 400,000 tons of new-crop grain delivered into federal storage through the end of September—most of this was sold prior to the introduction of Intervention B—it can be seen that almost all grain intended for market moved either into Intervention A or B.

Major features of the special stockpiling measures are:

- The Import and Storage Agency for Grains and Feeds was obligated to take Intervention B grain—if offered—into Intervention A beginning December 1, 1969. For this grain, the Agency had to pay through March 31, 1970, the original stockpiling price plus monthly increases of \$1.04 per metric ton for wheat, \$0.93 for rye, and \$0.82 for barley. These monthly increases corresponded to the monthly step increases in the intervention prices which were established prior to the deutsche mark revaluation, except for barley where there was originally no step increase established for September.
- The Import and Storage Agency had to pay storage premiums on grain delivered in February and March for each calendar month the grain was under a stockpiling measure: \$0.48 per metric ton for wheat, \$0.43 for rye, and \$0.38 for barley. These premiums could not be paid for more than 6 months—depending on the date of the contract.
- The monthly storage premiums had to be paid on grain which came out of Intervention B and went into processing or was exported. However, since this grain was not purchased by the Import and Storage Agency at the higher pre-revaluation prices, the revaluation losses had to be covered in a different way. Thus, a compensation for revaluation "losses" of 9.29 percent was paid by the Agency for grain which was in private

storage on February 1 or which was processed during January 1970. For grain stocks held on February 1, the storage premium was reduced by the equivalent of 1 Unit of Account (DM3.66=\$1) in order to keep processors holding B grain in storage from turning the grain over to Intervention A and then repurchasing it soon thereafter.

Understandably, holders of grain under Intervention B did not dispose of their grain until they received the highest storage premium possible, that is, either in February or March. Thus, from October 1969 through the beginning of February 1970, the market situation for domestic grain was extremely tight and prices were well above intervention levels. Also during this period very small quantities were bought by the government. After February 1, however, grain started moving again into federal stocks: During the first 2 weeks of February about 404,000 metric tons of wheat, 143,000 tons of rye, and 25,000 tons of barley were taken into federal storage.

The big question now is how much grain in all was purchased by the government—Intervention A—during February and March. Estimates in December 1969 ranged from 2-2.5 million metric tons. Now Ministry of Agriculture officials and the trade are estimating that not more than 1-1.5 million tons will finally end up in federal stocks.

Before instituting Intervention B, the German Government tried desperately to cope with its grain glut through makeshift arrangements to store grain in barges and tents and to rent storage space in neighboring countries. Also the government applied to the EC Commission to reintroduce levies against France to end the heavy inflow of French grain—a result of the weakness of the franc. The Commission, however, unwilling to endanger the painfully erected grain Common Agricultural Policy (CAP), recommended instead that Germany make application to use the Intervention B procedure authorized under EC regulation. This authorization states that if market prices for grains in any member state decline as a result of a large crop and that state is forced to make large-scale stockpiling purchases, application can be made for use of "special intervention measures".

Reportedly, the whole Intervention B program will cost less than \$54 million, of which about \$40.5 million will be for compensation of deutsche mark revaluation losses, the remainder for storage premiums.

—Based on dispatch from ROLLAND E. ANDERSON, JR.
Assistant U.S. Agricultural Attaché, Bonn

On India's farms

Little Machines Capture Bigger Share of Hard Work

By DES RAJ GULATI

Chief Agricultural Analyst

Office of the U.S. Agricultural Attaché
New Delhi

Animal power and manpower, for centuries the only work sources available to Indian farming villages, are getting increasing competition from small tractors for cultivating fields, minithreshers for separating grain from chaff and straw, and electric and diesel pumps for lifting water from wells and rivers to irrigation systems.

As traditional rural villages gradually change from food farming for subsistence to commercial food farming, old methods of providing power for farmwork and transport to market have to change. Human labor is low cost in India, and oxen are cheap to maintain because they can live on straw and other byproducts. But men and oxen cannot plow large fields quickly or cope with the requirements of increased irrigation and of fast and precise cultivation, fertilizer placement, and seeding needed in modern crop technology. Nor can they harvest and thresh grain yields double and triple those traditionally obtained in a reasonable length of time.

Because it is government policy to encourage production of food crops, price supports are favorable to farmers. Progressive farmers using the new grain vari-

eties and fertilizer make profits from their large crops; and some of those profits often go toward partial farm mechanization to further increase the farmer's crop size and profits.

Machines are catching on, but so far they provide only a minute portion of India's farm power requirements. According to a recent official Indian study, the power available to the Indian farmer from men and animals averaged about 0.14 horsepower per acre; power available from tractors was negligible in the national average.

Tractors and implements

The 1969 Indian estimate of number of tractors in use is about 90,000; in 1961 the estimate was 31,000. Both the greatest tractor concentrations and the most rapid increases in numbers have been in the agriculturally progressive areas where the Green Revolution has taken firmest hold and where farms average 25 acres or more. In Punjab, for example, tractor numbers quintupled during the period 1961 through 1966.

Of the tractors currently in use, about two-thirds are between 26 and 35 horsepower, or about the size of a small general-purpose farm tractor (two-bottom plow) in the United States; one-fourth have 14 to 20 horsepower, or are in the range of U.S. lightweight tractors (one-bottom plow). Less than 10 percent have 45 horsepower or more, or are in the range of standard-size U.S. farm tractors.

Demand for tractors is estimated at 60,000 to 70,000 a year, and Indian manufacturers have orders booked for 1 to 5 years at their present production capacity.

Indigenous production, which began in 1961, had reached about 18,000 a year by 1968, and output growth was about 20 percent a year from 1965 through 1968. The difference between demand and local production is partly met by imports—mainly from Eastern Europe and the Soviet Union, with whom India has trade agreements providing for rupee payment. In 1969 India authorized imports of 15,-

000 wheeled tractors, 1,075 crawler tractors, and 4,000 power tillers with spare parts and accessories.

To encourage domestic production, the Indian Government delicensed tractor manufacturing in February 1968 and permitted minor foreign collaboration. At present five companies, with a total annual licensed capacity of 30,000 units, are functioning—three with foreign participation. The government has also allocated liberal foreign exchange with which to import capital goods and components. In the past, indigenous production has sometimes been hampered by inadequate supplies of engines, tires, batteries, and other essentials.

Finally, the Indian Government is considering making the manufacture of tractors, spare parts, and accessories a government activity in hopes of increasing production to meet demand. The recently organized semiofficial State Agro-Industries Corporations, which at present



Left, diesel pump performs modern lift irrigation from well; right, two men operate a dhekli to lift water from a river to an irrigation channel.



handles the distribution of all imported tractors, has already been directed to stock repair parts for tractors and to offer maintenance service. Indian tractor users have long been plagued by parts shortages and inadequate after-sale service.

Greater use of tractors has created a flourishing market in India for tractor-drawn implements. But the production of implements was neglected by Indian tractor manufacturers. Numerous small workshops promptly made and sold a great variety of nonstandard implements that make maintenance and repair complex and therefore difficult. Both government and industry are now devoting attention to mass production of standard implements.

Pumps and engines

Minor irrigation works have always been important in India; but the intensive agricultural development of the past few years plus the droughts of 1966 and 1967 have highlighted their importance.

In 1950-51 only 19,000 diesel- and electric-powered pumps were in use in India; in 1968-69 there were about 1,670,000 units. These pumps are more efficient than the old methods of lifting water from wells or rivers by ox power or human labor and have helped the introduction of double or multiple cropping, which calls for large water applications. The new pumps have also assisted in control of waterlogging and salinity.

Threshing machines

Traditional grain threshing in India was accomplished by driving oxen around and around on a pile of grain stalks until the grain was trampled free. Normally, it took 3 days to trample each pile of stalks. Increased grain yields from improved cultivation make the traditional threshing method impracticable. Much of a farmer's crop could be ruined by inclement weather before he could get it threshed.

Small, indigenously manufactured power threshers are rapidly supplementing traditional methods. More than 10,000 threshers are manufactured each year and marketed in Punjab alone; in the rest of India about an equal number are sold annually.

Combines have been tried in India but are not yet in commercial use. The Indian Government may import 75 units for trial during 1969-70.



Above, miniature thresher in operation; below, Peace Corps volunteer gives farmer a lesson in tractor driving.



Left, farmer carries traditional plow; below, progressive farmer displays his tractor, seeders, cultivator, and drag.



News of Canadian Agricultural Developments

The following items of special agricultural information have been prepared from dispatches sent in by the Office of the U.S. Agricultural Attaché in Ottawa, Canada.

Canadian Grain Act May Be Revised

The Canada Grain Act, passed in 1930, may soon be replaced by an updated version which would provide the grain industry with greater flexibility to meet changing international and domestic market conditions. The new legislation, introduced in the House of Commons by Agriculture Minister H. A. Olson, would extensively revise Canada's grain grading and handling systems.

Grain grade changes now need full parliamentary action, whereas the proposed legislation would allow the Governor-in-Council (the Cabinet) to change grades. This would enable the introduction, when necessary, of new quality criteria in grading grains. The new act would also allow—among other possibilities—the introduction of a protein grading system, as compared to the present system which is based on visual standards.

The present Board of Grain Commissioners for Canada would be renamed the Canadian Grains Commission and would receive broadened authority over the grain elevator and handling system. Its authority—at present restricted to country, terminal, transfer, eastern, and mill elevators—would be extended to the licensing and regulation of additional grain facilities, such as feed mills and elevators associated with the processing industry. Provisions would be made for the Governor-in-Council to extend this authority to all of Canada if it is deemed necessary.

To facilitate shipment, the act would empower the Governor-in-Council to order railway companies to provide railway boxcars for grain movement; and the Grains Commission would have the authority to allocate the available boxcars among shipping points for carrying grain. This would provide the legislative base for the "block system" of grain handling introduced recently in western Canada.

Mr. Olson has said, "The proposed legislation provides the legislative framework for continuing adjustments, and that will improve our ability to cope with changing conditions and markets in the years ahead. . . . In providing the machinery to adjust Canada's grains grading and handling system, we are making the tools available to increase export sales."

—Based on dispatch from EUGENE T. OLSON
U.S. Agricultural Attaché, Ottawa

Canada Plans Reduced Dairy Surplus

A program designed to reduce the growing dairy surplus was outlined on March 23 to Canada's House of Commons by Minister of Agriculture H. A. Olson. It encourages restraint by placing a charge on milk and cream deliveries above quota while continuing subsidy payments on deliveries up to the amount of quota.

In announcing the 1970-71 Dairy Program (begun April 1), Mr. Olson referred to continued dairy surplus production as the biggest problem facing the Canadian dairy industry. He

noted that in the past the Canadian dairy surplus had been concentrated primarily in skim milk powder. More recently, however, a butterfat surplus has developed, with present rates of butter production and consumption resulting in a surplus of about 10 percent of Canadian production.

On deliveries up to the amount of subsidy quota, the 1970-71 program provides for the same dairy product support prices and subsidy payments as those established for 1969-70. Support prices are Can\$0.65 per pound for butter, \$0.20 per pound for skim milk powder, and \$0.465 and \$0.47 for Cheddar cheese during the main producing season. The rate of subsidy is \$1.25 per 100 pounds of milk or \$0.3571 per pound of butterfat.

Milk deliveries in excess of quota will not only lose the subsidy, but will also be charged \$1.25 per 100 pounds for export support. On cream deliveries in excess of quota the rate will be \$0.08 per pound of butterfat.

Mr. Olson also mentioned that the Dairy Farmers of Canada proposal for a system of supply management through market share quotas would be pursued actively by the Canadian Department of Agriculture and the Canadian Dairy Commission. He characterized the proposal in these terms: Producers supplying milk or cream for processing into manufactured dairy products would have market shares related in total to Canadian requirements, for which they would receive a price based on Canadian market prices for dairy products. Production in excess of market share would be priced in relation to prices in international markets.

—Based on dispatch from ALFRED R. PERSI
Assistant U.S. Agricultural Attaché, Ottawa

Canadian Marketing Change Proposed

Minister of Agriculture H. A. Olson recently introduced legislation in the Canadian House of Commons that would pave the way for the creation of national farm products marketing agencies.

Presently, there are about 120 provincial or subprovincial farm product marketing agencies in Canada. Mr. Olson's bill would provide for closer coordination among them and for cooperation between federal and provincial levels of government in the design and operation of national farm products marketing schemes. The federal government, in general, has jurisdiction over interprovincial and export movement of farm products; the provincial governments control the marketing of farm products within a province, but may delegate their power to a national organization.

The proposed legislation would give the Governor-in-Council broad authority to establish national marketing agencies for particular commodities in response to industry needs and desires. To allow for marketing schemes tailored to the requirements and peculiarities of individual commodities, the Governor-in-Council would approve a specific marketing plan and appoint a national marketing agency to administer the plan. These agencies could vary from ones with limited powers to achieve a minimum amount of coordination and promotion to ones which carry out more comprehensive marketing functions such as selling, pricing, assembling, pack-

ing, transporting, and storing.

National marketing agencies would not be given any control over the importation of products. However, it is likely that the agencies would increase the effectiveness of export marketing programs.

The legislation also would provide for the appointment of a national farm products marketing council which would have considerable responsibility to design, review, and oversee the operation of marketing agencies established under the act.

—Based on dispatch from ALFRED R. PERSI
Assistant U.S. Agricultural Attaché, Ottawa

Increase in Canadian Oilseed Crop

Canadian farmers plan to increase their rapeseed and flaxseed acreage this year by 88 percent and 55 percent, respectively. Therefore, at last year's yields per acre, the 1970 rapeseed crop is projected at 70 million bushels and the flaxseed crop at 48 million bushels. The 1969 crops were 37 million bushels of rapeseed and 31 million bushels of flaxseed.

The increase of flaxseed in Canada, plus a possible 3-million-bushel increase in the U.S. crop, indicates that North American production could exceed last year's level by 20 million bushels. —Based on dispatch from EUGENE T. OLSON
U.S. Agricultural Attaché, Ottawa

Canada Explains Wheat Acreage Cut

The Canadian Department of Agriculture, in an effort to encourage support for the wheat crop reduction program announced in February, has mailed explanatory pamphlets to 190,000 Canadian farmers. The pamphlets cite five useful examples of farmers who would be eligible for federal compensation payments under the program by cutting wheat acreage below 1969 levels and increasing summerfallow or by switching from wheat acreage to perennial forage. The five cases compare acreage planted in 1969 and 1970 and calculate the exact total of compensation due.

According to the information sent to farmers, "the program is designed to wipe out our wheat surplus in 1 year—if farmers back the program to its fullest." The compensation is Can\$6 per acre to producers who cut wheat acreage below 1969 levels and increase summerfallow by the same amount and \$10 per acre to producers who switch wheat acreage to perennial forage. No producer may receive payments for more than 1,000 acres of reduction in wheat acreage.

—Based on dispatch from EUGENE T. OLSON
U.S. Agricultural Attaché, Ottawa

Lower Canadian Sugarbeet Payments

The Canadian Agricultural Stabilization Board has been authorized to make interim deficiency payments of Can\$1.50 per standard ton (250 pounds of sugar) on the 1969 sugarbeet crop, a significant reduction from the \$2.50 per ton paid to producers last. The lower rate reflects improved sugar prices brought about in part by the International Sugar Agreement effective January 1, 1969, and resulting in higher prices to sugarbeet producers from the processing plant.

The 1969 support level for sugarbeets, as in 1968, is \$15.98 per standard ton. The calculations on this crop are expected to be available by mid-December when final payments will be made to producers. In the meantime, the interim deficiency payment is meant to assist producers in meeting the cost of

planting their 1970 crop and to encourage sugarbeet production in Canada.

—Based on dispatch from ALFRED R. PERSI
Assistant U.S. Agricultural Attaché, Ottawa

Transport Experts Named in Canada

Efforts to facilitate grain transportation and storage were highlighted in March with the Canadian Transport Commission's appointment of a Grain Movement Coordinator for Lakehead. Located on Lake Superior, the port of Lakehead is Canada's largest grain storage area. R. G. Menzies, formerly District Officer with the Commission in Saskatoon, has assumed the position of Coordinator, which was created in the interest of securing maximum grain movement by utilizing handling and transportation facilities to the fullest extent possible. His appointment followed the establishment of a similar position in Vancouver in January.

Announcing the appointment on March 17, Otto E. Lang, Minister Responsible for the Canadian Wheat Board, noted that grain movements in the 4 months remaining in the present crop year are expected to be one of the heaviest of any comparable period on record. Nearly 200 million bushels of grain will be moved into Lakehead terminals during this period to meet sales commitments made by the Canadian Wheat Board and other exporters.

In further efforts to improve grain movement, the Canadian Grains Group has named two advisors on grain handling and transportation. Mr. J. W. Madill, general manager of the Alberta Wheat Pool, and Mr. I. K. Mumford, general manager of the Saskatchewan Wheat Pool, will assume their duties for periods of 6 months each—April through September and October through March, respectively.

Mr. Lang, in announcing the appointments, emphasized that the key role played by the handling and transportation of western Canadian grains on their way to market makes it essential that the Grains Group secure the best possible advice. He explained that Mr. Madill and Mr. Mumford will not be acting as representatives of their organizations but as individuals whose backgrounds in the grain industry will enable them to contribute to the development of long-term policies for grain handling and transportation.

—Based on dispatches from
Office of U.S. Agricultural Attaché, Ottawa, Canada

St. Pierre Quarantine Station Opens

Canada and France have opened a new maximum security livestock quarantine station at St. Pierre to help meet a demand for import permits that, in recent years, has exceeded the space available for quarantine.

Officially opened April 8 by representatives of the French Ministry of Agriculture and the Canada Department of Agriculture, the station was built and will be maintained by France. St. Pierre is a French island at the mouth of Fortune Bay, Newfoundland, in the Gulf of St. Lawrence.

On April 8, the St. Pierre Station released 200 cattle from quarantine for shipment to Canadian farms the next week. They included 146 Charolais, 23 Limousin, four Pie Rouge, and two Maine-Anjou from France as well as 11 Simmental and one Brown Swiss from Switzerland.

—Based on dispatch from EUGENE T. OLSON
U.S. Agricultural Attaché, Ottawa

A complex combination of unusual weather, political tensions, rising and falling prices, and changing world demand affected Honduran agricultural production and farm-product exports and earnings during 1969.

Honduran Agriculture in 1969: A Year of Difficulties

The agricultural economy of Honduras received two jolts during 1969—Hurricane Francelia in September and the dispute with El Salvador in July. The hurricane was by far the more damaging in the short term but the disruption of trade between Honduras and other Central American countries until Honduran-Salvadoran difficulties are settled could have long-range economic consequences.

The high winds and heavy rains of Hurricane Francelia on the Caribbean coast severely damaged banana groves in some areas and did some minor damage to cane fields. In addition, many roads were temporarily flooded, structurally injured, or destroyed. Further inland, the coffee areas got large precipitation in the wake of the hurricane; however, the ultimate effect may have been more beneficial than harmful to the coffee crop.

Other undesirable weather was persistent rain on the Pacific coast and the lack of the usual 2-to 3-week dry period during the rainy season. Plantings of several crops were either delayed or prevented, and that of the cotton crop in particular was affected.

The dispute with El Salvador disrupted agricultural production by the temporary displacement of Honduran citizens in zones of conflict and by the repatriation of Salvadoran citizens to El Salvador, which caused local shortages of agricultural workers in some Pacific areas of Honduras. In addition, some of the larger Honduran cotton producers were Salvadorans who fled Honduras and thus did not plant a crop in 1969.

Production and export estimates

Because some banana acreage was destroyed by hurricane flooding and other acreage hurt by high winds, 1969 banana production and exports slid. Exports are estimated as down by at least 10 percent in comparison to 1968. Preliminary forecasts for 1970 are that exports may be as much as 30 to 40 percent below 1968 levels. Rehabilitation of the hurricane-injured banana areas was begun immediately, but such acreage will not produce a harvest until 1971.

Bananas are Honduras' chief agricultural export and in the past few years have supplied nearly half the value of total Honduran exports, agricultural and otherwise.

The next-ranking agricultural export, coffee, had a successful 1969-70 harvest that totaled about 500,000 bags of 60 kilograms each—approximately 100,000 bags greater than the 1968-69 coffee outturn. Honduran coffee export earnings in 1969 were reduced because of lowered world prices and are estimated at about US\$18 million; but earnings in 1970 will probably be up sharply because of rising prices and may reach approximately \$23 million.

Cotton output fell drastically owing to bad weather and to the dislocation of workers and planters because major acreage was in a zone of combat between Honduras and El Salvador. Only about half as much area was planted to cotton in 1969-70 as in 1968-69, and less than half as much cotton was produced (14,000 bales of 480 lb. net). Another discouraging factor for 1969-70 plantings was low cotton prices during

1968-69. Cotton exports are no longer a major earner of foreign exchange for Honduras.

Sugar production for 1969-70 is expected to be about the same as that for the previous year in spite of some hurricane damage to cane fields, and production estimates are between 60,000 and 65,000 short tons. Sugar is not a major Honduran export.

Overall production of grains in 1969-70 was down from the previous year. Corn output is estimated at 375,000 metric tons compared with 390,000 tons the year before. Bean production is pegged at 53,000 metric tons—down 2,000 tons from the previous crop year. Sorghum outturn, however, is estimated as up 3,000 tons to 69,000 tons.

The 1969-70 rice crop is thought to be about the same as last year's.

The values of corn, bean, and sorghum exports were down sharply in 1969 in comparison with 1968. A major market for Honduran corn and beans has traditionally been El Salvador, but all trade between the two countries was suspended after the dispute in July 1969.

Outturn of flue-cured tobacco during 1969-70 was reduced by 10 to 15 percent because of rains and cold weather during the producing season. Output of dark air-cured tobacco also fell; but production of cigar filler and wrapper tobacco was about the same as in 1968-69.

The livestock industry continued to expand in 1969 and additional imports of breeding cattle were made. Exports of chilled and frozen beef reached a new record level—20.8 million pounds. Shipments were nearly all to the United States and Puerto Rico. In comparison, beef exports for 1968 were 14.0 million pounds. Exports for 1970, however, will probably be down from the 1969 peak because of voluntary restraints.

Outlook

Production of major export crops (except bananas) and domestic food crops will probably increase in 1970 as Honduran agriculture recovers from the effects of last year's hurricane. Cotton's importance as an export will probably continue to decrease and 1970-71 cotton acreage is expected to be even lower than that for 1969-70.

Export levels of some commodities, such as corn, beans, tobacco, and hogs, will depend upon whether trade with El Salvador is resumed or not.

The agricultural imports of Honduras have been increasing in recent years and will probably show another gain in 1970. Of particular interest to the United States, which is Honduras' chief wheat supplier, wheat imports are expected to climb—probably as much as 3,000 to 5,000 metric tons. Another trend that may boost U.S. agricultural sales in the country is the developing shortage of edible vegetable oils because of the reduced domestic cottonseed output due to shrinking cotton acreage.

—Based on a dispatch from HARRY C. BRYAN
U.S. Agricultural Attaché, Guatemala/Tegucigalpa

European Trade Gets U.S. Recipes To Boost Wheat Use

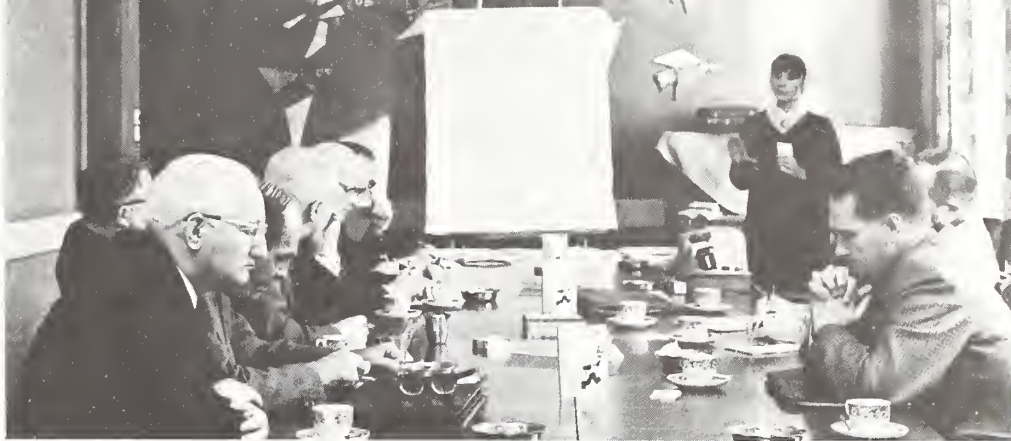
What makes sandwiches so popular in the United States? What advertising methods do U.S. merchandisers use to increase consumption of wheat flour products? What are the latest innovations in bakery equipment? These were some of the questions asked of nutritionist Beverly Anderson on a recent promotional trip to Western Europe sponsored by Great Plains Wheat, export arm of the U.S. hard wheat industry. Her audiences were people for whom wheat consumption is literally their "bread and butter"—bakers, millers, and merchandisers.

Miss Anderson, who has worked closely with wheat products as director of home economics for the Wheat Flour Institute in Chicago and on a wheat promotion tour in Asia, found that from England to Germany, members of the European wheat trade are concerned with the problem of maintaining consumption of wheat products in the face of rising standards of living and consequent changes in diet.

During visits to bakeries and at seminar discussions and conferences the U.S. nutritionist distributed information and gave advice on everything from recipes utilizing pasta products to packaging of bread. She found considerable interest in the mechanics of successful promotions that have been carried out in the United States, such as "Sandwich Month."

Shortages of labor in Europe have resulted in a trend away from the traditional small bakery toward larger industrial bakeries whose bread product—called "toast bread"—tastes a bit different than the bread from the neighborhood bakery which consumers are used to. Although recent promotions of "toast bread" have been successful, there is still concern over consumer reaction. Therefore there is much interest in U.S. industrial bakery processes and products.

The American sandwich, big and well breaded, was the topic of much discussion in various groups Miss Anderson met with. It looks as though the open-faced European sandwich may be getting a cover in the future. German wheat product merchandisers are planning a sandwich promotion to be held this summer. It will be modeled after the U.S. "Sandwich Month" which takes place in August. Producers of everything from sand-



wich fillings to soup and napkins team up for a gigantic promotion of the sandwich concept.

At Detmold, Germany, Miss Anderson was a panelist at a conference sponsored by two grain research institutes where participants discussed "The Bread Market in the 1970's." Representatives from 240 bakeries in Germany, Sweden, the Netherlands, Switzerland, East Germany, England, France, and the United States attended, as well as numerous mill representatives, members of the communications media, nutritionists, and others associated with wheat product promotion.

Promotion of pasta products was another area where she found concern. Millers and merchandisers alike were interested in hearing how their U.S. counterparts handle their advertising and product image.

Miss Anderson also met with food editors and nutritionists in the various countries she visited. In Germany she discussed with the food editor of *Für Sie*, one of Germany's leading women's magazines, a wide range of subjects including wheat products in the diet, testing of recipes, and publication of recipes in women's magazines.

U.S. Rice Wins Fans

U.S. long grain rice was a popular item at the Salon des Arts Menagers—France's 39th home and household fair, recently held just outside of Paris.

The U.S. Rice Council's exhibit attracted housewives who sampled savory rice dishes and received recipe booklets and ideas for incorporating rice dishes in their weekly menus. All 11 French rice mills and four U.S. brand rice importers displayed their packages of American rice sold in France.

Across the channel rice was also the subject of much attention. At a special 1-week point-of-purchase promotion held



Beverly Anderson's European wheat promotion tour included a visit with some of Utrecht's leading bakers, top, and a stop at a local bakery. Below, U.S. long grain rice received top billing in a recent British POP promotion.



in stores of the Sainsbury's chain rice sales registered a 300-percent increase. Attractive packages, banners, and signs in store windows alerted shoppers to the special promotion and stressed that the rice was U.S. long grain.

CROPS AND MARKETS SHORTS

Spain Authorizes Heifer Imports

The Spanish Ministry of Agriculture recently authorized importation—before December 31, 1970—of up to 20,000 bred heifers under 3 years of age. The heifers must either be of beef breeds already approved by the Ministry of Agriculture or if they are of European or American origin they may be of unregistered grade—a major departure from the former policy of the Ministry. However, each heifer of unregistered grade must have a certificate issued by its breed association stating that it was bred by a purebred sire—registered in the official herd book—of the same breed. Also, only breeds whose offspring can be identified by coat color markings or muscle may be imported if the heifers are to be bred to pedigreed bulls of another breed.

General Japanese Beef Import Quota

The Japanese Ministry of International Trade and Industry (MITI) recently announced a general import quota for 15,000 metric tons of beef. This quota brings the total allocations for the Japanese fiscal year 1969 (April 1969 through March 1970) to 22,500 tons, including a 7,000-ton general quota issued in November 1969 and a special 500-ton quota issued in early March for registered international hotels. (See *Foreign Agriculture*, Apr. 6, 1970.) During the Japanese fiscal year 1968 total beef import quotas amounted to 22,000 metric tons.

Canada's Flue-Cured Exports Up

Exports of Canadian flue-cured tobacco rose to 51.1 million pounds in 1969. This quantity compares with 46.4 million pounds exported in 1968 and 41.3 million in 1967. The average price for all shipments was 106.4 U.S. cents per pound, compared with 107.2 U.S. cents per pound a year ago.

The United Kingdom, by far the largest purchaser of the Canadian leaf, accounted for 44.6 million pounds. This was 87.4 percent of the total 1969 exports compared with 86.7 percent in 1968. Shipments to the United States—at 1.1 million pounds—were down by nearly one-third from the previous year. Other important markets in 1969 included Finland,

CANADA'S FLUE-CURED TOBACCO EXPORTS

Country of destination	1968	1969	Average 1969 export price
	1,000 pounds	1,000 pounds	U.S. cents per pound
United Kingdom	40,262	44,628	113.0
Finland	634	1,183	49.6
United States	1,556	1,068	27.4
Netherlands	414	909	41.0
Denmark	521	721	40.9
Ireland	242	684	120.9
Trinidad-Tobago	970	500	84.4
Libya	127	345	96.8
Guyana	144	174	73.0
Belgium-Luxembourg ...	467	165	62.4
Hong Kong	223	133	103.8
Others	863	580	—
Total	46,423	51,090	106.4

the Netherlands, Denmark, Ireland, and Trinidad-Tobago.

Exports of other kinds of unmanufactured tobacco except flue-cured in 1969 totaled 1.3 million pounds, of which 406,000 pounds was burley.

Dutch Import Less U.S. Tobacco

A total of 106.8 million pounds of tobacco was imported into the Netherlands in 1969, 5 percent above the 101.8 million pounds of 1968 and 17 percent above the 1960-64 average. The Netherlands, both an important consumer and exporter of tobacco products, depends entirely on imports of unmanufactured tobacco for its requirements. More than three-fourths of its total purchases originate in the United States, South Africa, West Germany, Brazil, Belgium, and Malawi.

The United States continued to be the major source of supply in 1969 by providing 32.1 million pounds of tobacco. This quantity was down somewhat from 34.2 million pounds in 1968 and 35.3 million pounds in 1967. In 1969 the U.S. share was the lowest since 1963, dropping to 30.1 percent from 33.6 percent in 1968 and 34.2 percent in 1967. The reduction in the U.S. share was more than offset by increased imports from South Africa—which was the second largest source in 1969—at 15.2 million pounds of tobacco. This is a 71-percent increase for South Africa from 8.9 million pounds in 1968 and is a more than 100-percent increase from 7.5 million pounds in 1967. Smaller increases were also recorded for Thailand, Cuba, Greece, Turkey, Tanzania, Italy, and Malawi.

DUTCH IMPORTS OF UNMANUFACTURED TOBACCO

Country of origin	Average 1960-64	1967	1968	1969
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
United States	28.0	35.3	34.2	32.1
South Africa	3.7	7.5	8.9	15.2
West Germany	12.1	15.5	12.1	13.1
Brazil	8.5	9.5	8.5	9.0
Belgium	4.9	4.5	7.5	6.6
Malawi	(¹)	4.7	5.4	5.2
Italy	3.4	1.5	1.6	2.3
Mozambique .....	.3	2.4	3.5	2.1
India	3.6	2.1	2.1	2.0
Turkey	1.0	1.5	1.3	2.0
Tanzania .....	.4	.5	.7	2.0
Greece	1.0	1.0	1.6	1.8
Cuba .....	.8	1.1	1.2	1.8
South Korea	(²)	1.4	1.5	1.3
Thailand .....	.3	.6	.8	1.1
Paraguay	(²)	.9	1.0	1.0
Philippines .....	.9	1.7	1.2	.7
Rhodesia	13.2	5.6	1.5	.4
Zambia	(¹)	.8	.7	.4
Other	9.2	5.1	6.5	6.7
Total	91.3	103.2	101.8	106.8
	Per-cent	Per-cent	Per-cent	Per-cent
U.S. share	30.7	34.2	33.6	30.1

¹ Included with Rhodesia. ² If any, included in "Other."

Ireland Imports More Tobacco

Ireland's imports of unmanufactured tobacco in 1969 reached a new record of 22.3 million pounds, 25 percent more than 17.9 million pounds a year earlier and two-thirds more than the 13.3 million pounds of 1967. Of the total takings in 1969, stemmed leaf accounted for 96 percent.

Imports from the United States at 13.6 million pounds were down 17 percent from 16.4 million in 1968. Purchases from India jumped to 4 million pounds from 416,000 pounds the previous year. Malawi and Zambia supplied over 1 million pounds each. These four countries provided 90 percent of Ireland's total unmanufactured tobacco imports in 1969. Other suppliers included Canada, Tanzania, South Africa, South Korea, and Angola.

Ireland also imports "partly manufactured" tobacco from the Netherlands, most of which is processed into pipe tobacco by Irish tobacco firms and later exported. Imports of this type of tobacco totaled 3.9 million pounds in 1969 compared with 4.4 million in 1968 and 2.1 million in 1967. Comparable quantities of pipe tobacco were exported during this period.

Smaller quantities of cigarettes, cigars, and cheroots are also traded.

Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	April 15	Change from previous week	A year ago
	Dol. per bu.	Cents per bu.	Dol. per bu.
Wheat:			
Canadian No. 2 Manitoba	1.97	-1	1.94
USSR SKS-14	(¹)	(¹)	1.87
Australian Northern Hard	1.75	0	(¹)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.88	+5	1.88
15 percent	1.97	+2	1.90
U.S. No. 2 Hard Winter:			
13.5 percent	1.79	+2	1.82
Argentine	(¹)	(¹)	1.80
U.S. No. 2 Soft Red Winter	1.66	+2	1.69
Feedgrains:			
U.S. No. 3 Yellow corn	1.58	+1	1.40
Argentine Plate corn	1.58	-2	1.41
U.S. No. 2 sorghum	(¹)	(¹)	1.31
Argentine-Granifero	1.33	+1	1.18
Soybeans:			
U.S. No. 2 Yellow	3.06	+4	2.90

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

South African Corn Estimate Down

The latest unofficial trade estimate of the South African corn crop, based on conditions in early April, is for a harvest of about 7 million metric tons. This is considerably above last season's drought-reduced crop of about 5 million tons, but well below the earliest unofficial estimate of 9.5 million.

A crop of 7 million tons would result in an exportable surplus of around 2 million tons, since domestic consumption this year is estimated at just over 5 million. At least one-half million tons of the exports are expected to be white corn.

This latest estimate, if confirmed, could give a boost to U.S. corn exports for the balance of this marketing year, which ends September 30. Earlier monthly projections had placed South Africa's exportable surplus closer to 2.5-3 million tons.

Unofficial crop estimates this season began with 9.5 million tons in January following a period of dry weather. In February the estimate was lowered to 8-9 million tons, and the first official estimate—based on conditions at the end of February—was 7.6 million tons.

The principal difficulty in making crop estimates this season, as usual, has been the variable weather pattern. Some of the early planted corn was hit by dry weather shortly after emerging and growth was stunted. The bulk of the crop, however, was planted under very favorable conditions and recovered nicely from the dry weather conditions that prevailed in late December and early January.

Some areas, especially the northwestern portion of the main growing area, did not receive enough moisture to begin planting until mid-January. This late planted corn, however, progressed nicely until March, when it needed moisture. Since March is normally a fairly rainy month, a good outturn was expected from the late planted corn. But the March rains did not develop, and the estimate had to be reduced, to allow for the less-than-optimal development of the late planted acreage as well as that portion planted at the normal time.

U.K. Net Grain Import Forecast Up

Net U.K. grain imports this fiscal year are forecast to be 2 percent above last year's total of 8.5 million tons. This will be caused by a 5.5 percent increase in wheat, which will be partly offset by a 2.5 percent decline in feedgrains.

Outlook for 1969-70

Wheat imports are forecast to increase about 250,000 metric tons over a year ago. Total import figures, however, mask the fact that all of the increase will be in feed wheat, since milling wheat imports are expected to decline. The majority of the feed wheat imports are coming from the EC, although Australia recently sold around 100,000 tons to the United Kingdom.

Corn imports are forecast to decline about 150,000 tons

UNITED KINGDOM NET GRAIN IMPORTS

Commodity	Fiscal year			July-December		
	1968-69	1969-70 ¹	Change	1968	1969	Change
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons
Imports:						
Wheat, wheat flour (grain equivalent)	4,575	4,826	+251	2,056	2,331	+275
Corn	3,466	3,315	-151	1,841	1,531	-310
Sorghum	156	150	-6	72	56	-16
Barley	372	421	+49	52	330	+278
Oats	25	25	0	(²)	6	+6
Exports:						
Barley ³	74	25	-49	67	2	-65
Net grain imports ⁴	8,520	8,712	+192	3,954	4,252	+298

¹ Estimated. ² Less than 500 metric tons. ³ Does not include malt exports as follows: July-December 1968—59,000 tons; July-December 1969—45,000 tons. ⁴ Imports less exports.

For fiscal year 1968-69 and July-December 1969, *Overseas Trade Accounts of the United Kingdom*.



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Foreign Agriculture

although U.S. exports to the United Kingdom through February are running about 155,000 tons ahead of a year ago (1.15 million tons compared with 1 million last year). Competition for the balance of the fiscal year, however, is expected to be much stiffer, with new-crop South African, Argentine, and Brazilian corn coming on the market. Imports are suffering, mainly from the competition of feed wheat and, to a lesser extent, barley.

Sorghum imports are forecast to decline slightly, primarily a result of an unfavorable price relationship with corn.

Barley imports are forecast to increase by about 50,000 tons. Favorable prices in relation to competing grains are given as the main reason. Barley exports are expected to decline to only about one-third of last year's volume, owing to heavy domestic consumption. Thus barley's net position is heavily on the import side.

Oats imports are estimated at about last year's level of 25,000 tons.

July-December 1969¹

During this period, total *wheat* imports increased 275,000 tons compared with the same period a year ago. Feed wheat imports, however, more than accounted for the total gain (441,000 tons), since milling wheat imports fell by 172,000.

Corn imports declined over 300,000 tons compared with a year earlier. Most of the reduction was caused by a 90-percent decline in arrivals from South Africa, due mostly to a lack of exportable supplies. Meanwhile, takings from the United States increased 5½ percent. *Sorghum* imports declined about 22 percent to 56,000 tons. Argentina was the dominant supplier, shipping 30,000 tons of the total.

The marked rise in *barley* imports—more than a sixfold increase—was mainly in shipments from Canada, Australia, Sweden, and Spain. The sharp drop in barley exports was due primarily to higher domestic consumption. *Oats* imports at 6,000 tons were very minor during the period.

¹ See April issue of *World Agricultural Production and Trade* for country of origin breakdown of import statistics for the July-December periods.

Argentine Grain Exports Drop

Argentina's grain exports from July 1969 through February 1970 at 2.9 million metric tons were 30 percent below those of a year earlier. Wheat shipments at 1.3 million tons dropped

30 percent. Corn, also at 1.3 million tons, was off 18 percent. Only sorghum shipments increased—by 42,000 tons. Oats and barley exports combined dropped a total of 289,000 tons.

ARGENTINE GRAIN EXPORTS SUMMARY

Commodity	July-February		Change
	1968-69	1969-70	
	1,000 metric tons	1,000 metric tons	1,000 metric tons
Wheat	1,983	1,253	-730
Rye	14	4	-10
Corn	1,566	1,282	-284
Oats	175	53	-122
Barley	185	18	-167
Sorghum	275	317	+42
Total	4,198	2,927	-1,271

El Cerealista.

Argentina is harvesting its biggest corn crop in recent years and a record sorghum crop. With heavy advance sales, exports of these grains are expected to pick up sharply in the remainder of the July-June 1969-70 marketing year. Exports of the small grains are not expected to improve much over the reduced levels to date for the July-February period.

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